

Discussion points - ALG Meeting August 9, 2012 – FINAL

Present: Bart Wendell, facilitator; Pam Harting-Barrat, Janet Adachi (Board of Selectmen); Xuan Kong, Kim McOsker (School Committee); Mary Ann Ashton (FINCOM); Dr. Steve Mills, and Steve Barrett

Absent: Steve Ledoux, Don Aicardi

Audience: Dr. Bob Evans (FINCOM), Dick Callendrella, Charlie Kadlec & Bob Ingram (AVG)

Bart opened with discussion on quorum issue as “no substitutions” was his understanding.

Group allowed Town substitution for “Information Sharing purposes” only~ no decisions can be made/no consensus can be reached.

Agenda Item #1 – Approve Minutes of June 20, 2012

This will be discussed and voted at the September 2012 ALG meeting.

Agenda Item #2 – Update on FY12 Revenues/Expenses and FY13 Revenues

Dr. Mills discussed the strong financial position of the ABRSD and also commented on the strong reserve levels. FY12 was good year. The books are still being closed at APS but there will be FY12 budget turn-backs from both entities in the \$200k - \$300k range. The E& D position at the ABRSD is expected to be strong at 6-30-2012 certification.

Dr. Mills also discussed the ABRSD borrowing for Lower Fields project. Excellent rate received and tenants are already signed on to the project.

Steve Barrett discussed that although books still being closed, FY12 revenues would exceed budget. Excellent collection rate noted. Approx. \$600k of unbudgeted tax title monies received which will flow to free cash. Motor vehicle excise settling in at around \$2.55m versus budget of \$2.6m. Investment income flat and fees were trending above projections.

Pursuant to FY12 expenses, all entities would have budget turn backs and this would replenish free cash. FY13 state aid greater than projections. FY13 on track.

Agenda Item #3 – Discussion of OPEB working Group

MaryAnn Ashton talked about the entities (FINCOM/APS/ABRSD/Town) having designated individuals. The new OPEB group has not started working yet.

Pam stated she was concerned about OPEB and hoped that there would be state intervention. She was optimistic about relief to Cities & Towns.

MaryAnn was hoping that ALG could provide new group some guidance? Her idea was that ALG should ask the new OPEB group for 2 or 3 proposals which include a \$ recommendation and a funding recommendation. She discussed the purpose behind this new OPEB group was to alleviate OPEB \$ and funding decisions from larger ALG.

Janet thought that we didn't have enough background information necessary to make decision.

Bart cautioned the group that they were coming close to a "decision" and that they had already agreed that this would be an "information sharing" meeting only due to substitution/quorum difficulties.

Xuan, speaking on behalf of ABRSD, discussed that the desire of the ALG was to get OPEB issue cleared and then on to budget. He told MaryAnn that she could share that the ABRSD wants to have options as to OPEB amount to fund and funding source.

Janet asked what the original FINCOM OPEB group looked at and MaryAnn discussed that and the various updates to the original “white paper” which included:

- Creation of OPEB Trust Fund
- Securing OPEB funding from April 2012 ATM
- Plan Design changes

All of this will be very helpful to the new OPEB group.

Janet thought we should wait for formal guidance at next month ALG meeting.

Regionalization

Xuan gave a comprehensive update on the K-6 Regionalization process. He discussed that there was a clear charter and 3 subgroups:

- Transitional/governance
- Infrastructure/asset management
- Operations

He further discussed a few of the many challenges that the subgroups encountered including:

- representation on the permanent committee.
- Need for transitional school committee
- Building ownership
- Existing debt obligations

It was noted that Dr. Evans’ proposal had been received.

Pam noted that this is a very complex issue.

MaryAnn presented a suggested calendar for FY14 Budget planning that she and Xuan drafted. It will be refined at the September 2012 ALG meeting.

Agenda Items for meeting on Sept. 13, 2012

FY14 Calendar

OPEB working group

Regionalization update

FY12/FY13 Financial update

Quorum issue/substitutions

Under Citizen concerns Mr. Kadlec asked about the effect of full regionalization on OPEB and the need for the groups to communicate.

Dr. Evans asked whether there was a role for the HIT (Health Insurance Trust) and MaryAnn responded that her proposal includes HIT membership in the group as noted in June 2012 ALG meeting minutes.

Next Meeting: September 13th – 730AM in Room 204 (Faulkner Room)